

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

1969
ANNUAL REPORT

(for Year ending June 30, 1969)



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Herman V. LaMark, Director

The Commonwealth of Massachusetts

Division of Employment Security

Charles F. Herley Employment Security Building

Government Center, Boston, Mass. 02144

Office of the Director

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STATE HOUSE, BOSTON

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Honorable Francis W. Sargent
Governor of Massachusetts
State House
Boston, Massachusetts

Dear Governor Sargent:

In accordance with Section 93 of the General Laws of the Commonwealth, I hereby submit a report on the activities and accomplishments of the Division of Employment Security for the fiscal year 1969.

During the year, the Division placed heavy emphasis on assisting the long-term unemployed, minority group members, welfare recipients, the handicapped, and youth. This effort was implemented by employment counseling within the Division or referral to other agencies for vocational training, job orientation, basic education, or a combination of these services.

Despite this attack on hard-core unemployment, all other services and programs of the Division continued. These activities included the payment of unemployment benefits, recruiting workers for industry, collecting and disseminating labor market and occupational information, job placement, services to veterans and older workers, employment counseling, aptitude testing, and referral to skill training.

As part of its manpower services, the Division presently administers or participates in more than 60 programs. These programs are carried out as requirements of either Federal or State Law or as part of the agency's obligations under its grant-in-aid from the Federal Government.

Sincerely,

Herman V. LaMark, Director

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Governor Francis W. Sargent

**Administrative Report on the
MASSACHUSETTS EMPLOYMENT SECURITY LAW
For Fiscal Year 1969
THE COMMONWEALTH OF MASSACHUSETTS**

Division of Employment Security
Boston, Massachusetts 02215



Herman V. LaMark
Director

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Adams	Town Hall	IC	Malden	213 Main St.	PC
Athol	534 Main St.	PC	Marlboro	186 Main St.	PC
Attleboro	29 Park St.	PC	Martha's Vinyd.	Lake Ave., Oak Bluffs	IC
Ayer	Town Hall	IPC	Maynard	Town Hall	IPC
Boston	6 Somerset St.	P	Middleboro	Wareham St.	IPC
Boston	141 Milk St.	P	Milford	65 Congress St.	PC

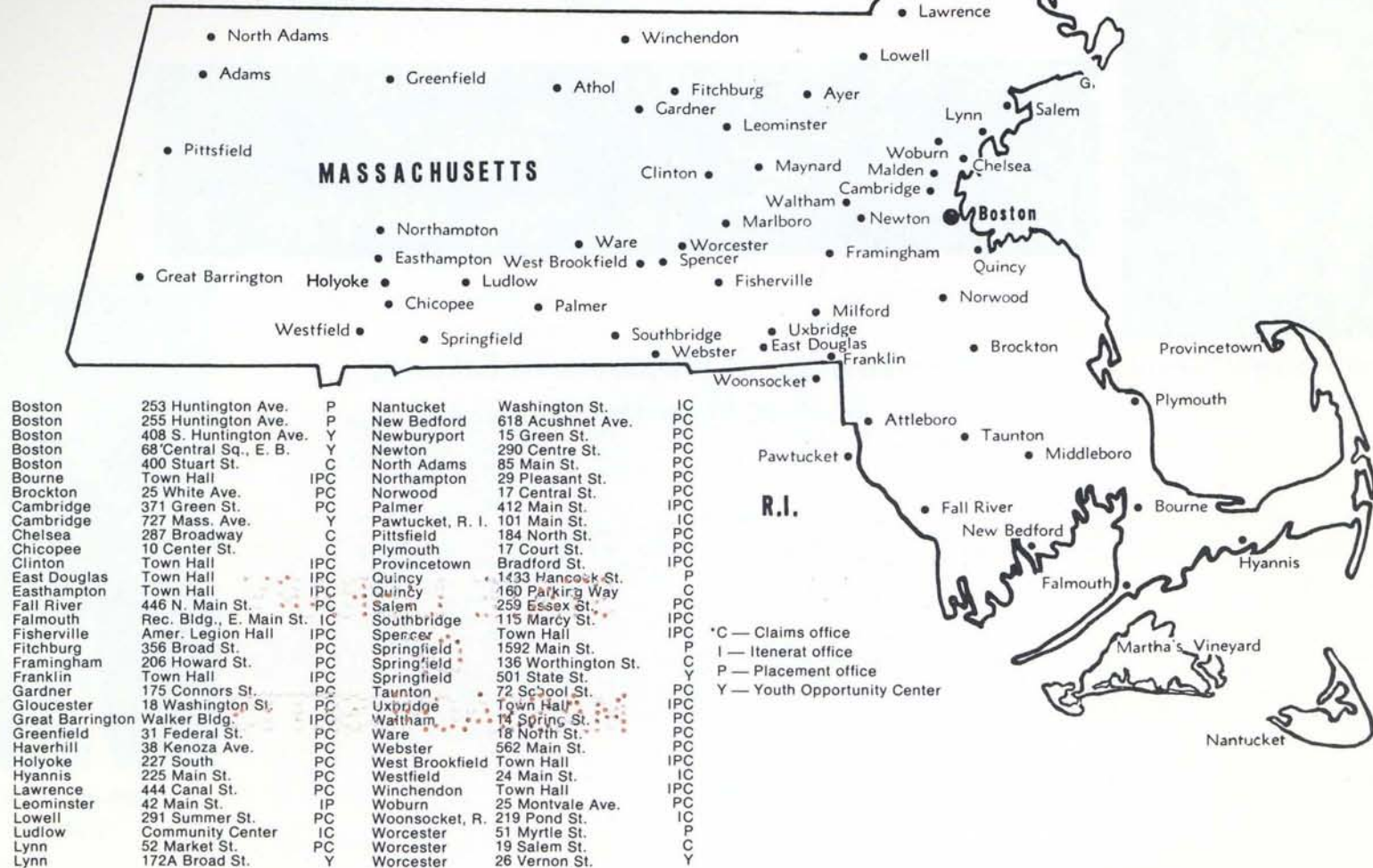


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massachusetts economy highlights of 1969



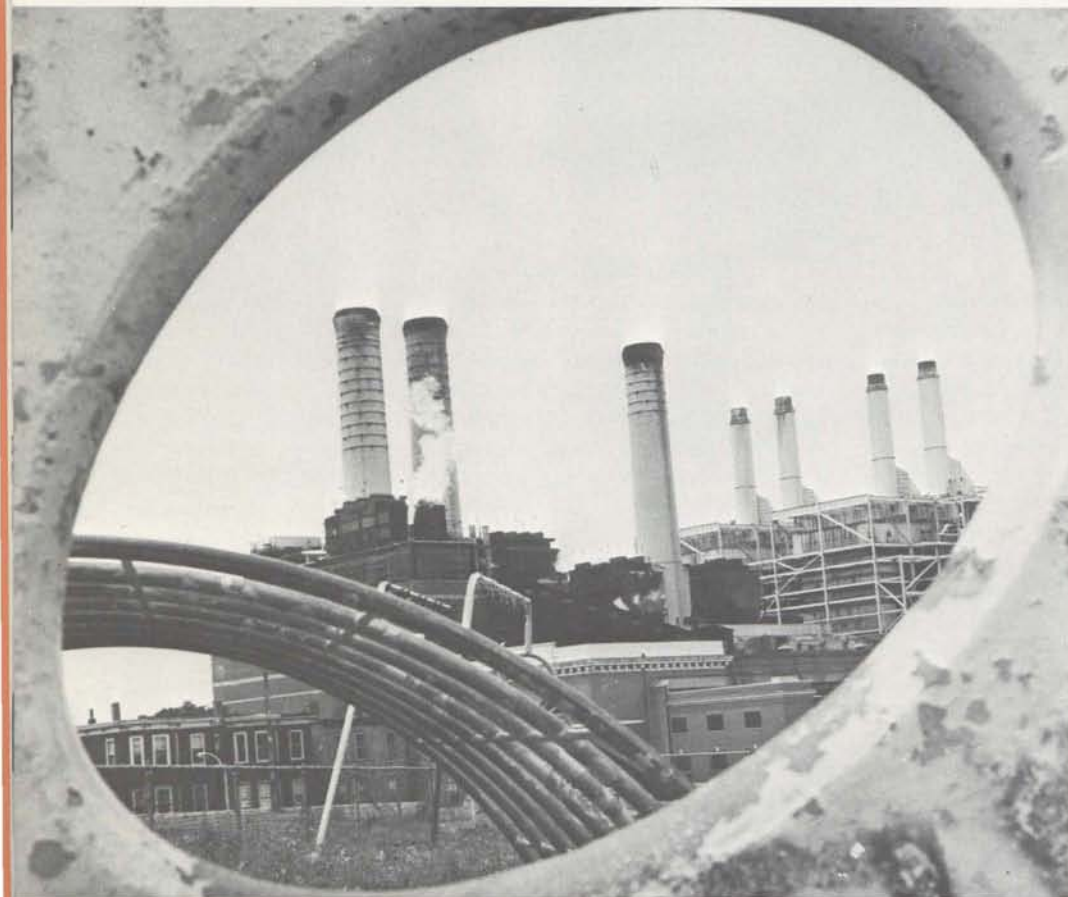
highlights of 1969

In fiscal 1969, the Division pressed ahead on the path charted for it since the enactment of the Manpower Services Act of 1966. The year was marked by many changes in the Division's structure and functions so as to fulfill the Congressional intent that Employment Service output should be directed toward those who are at a relatively severe disadvantage in competing for position in the nation's economic structure — the unemployed or underemployed poor. Within this altered framework the Employment Service strove to reshape its organizational deployment, planning and operations to give priority service to young people under age 22, mature persons over age 44, members of minority groups, school dropouts and the handicapped.

During this eventful year the Work In-

centive Program authorized by the December 1967 amendments to the Social Security Act became a major program of the Division. By June there were 19 teams of Division personnel providing employability services to welfare recipients.

During this fiscal year progress also continued on the conversion to a computer system for paying unemployment insurance checks simultaneously in the local offices while the computer in Boston authorizes the issuing of such checks. The initial step of converting from the Synchrotape to an RCA 5925 Communication terminal in the local offices was completed and by June three offices (Worcester, Brockton, and Fall River) were paying checks "on line" with the computer.



massachusetts economy

Fiscal 1969 ended with a record high civilian work force of 2,590,900, a gain of 30,500 over June 1968 and 304,800 over June 1959. In each of the twelve months of fiscal '69 the employment figure set a new record for the month while the number of persons unemployed was well below the year-before count in nine of the twelve months. The growth in jobs during the year and during the decade has been confined to the nonmanufacturing division, most notably in service, trade and government. Employment in the manufacturing sector continued to decrease over the year but at a slower rate than in fiscal '68. Unemployment averaged 4.0 percent during fiscal '69, slightly below the 4.1 percent for fiscal '68 and well below the 6.5 percent for fiscal '59.

An effective combination and coordination of federal, state and local agencies, both public and private, continued to attack social, physical and economic problems in the Commonwealth during the year. In addition to providing services for the disadvantaged, these agencies have extended their services to include people who though not disadvantaged are underemployed or have other problems affecting employability. More training has been made available through manpower training courses for those capable of accepting the training and of performing more productive work. Energies have been directed toward all segments of the community not only to channel the unemployed into jobs with a future but also to upgrade the skills of those who are employed. Much was accomplished in fiscal '69 but much more remains to be done.

comparative indicators of massachusetts economy

INDICATOR	1963	1964	1965	1966	1967	1968
Civilian Work Force (thousands)	2,309.0	2,316.5	2,351.5	2,418.3	2,470.4	2,503.0
Total Employed (thousands)	2,172.8	2,183.9	2,235.4	2,313.2	2,367.6	2,396.4
Total Unemployed (thousands)	134.6	132.1	114.6	102.0	101.0	102.0
Percent Unemployment Work Force	5.8%	5.7%	4.9%	4.2%	4.1%	4.1%
Total Personal Income (millions)	\$ 14,547	\$ 15,431	\$ 16,470 *	\$ 17,783 *	\$ 19,315 *	\$ 20,974
Per Capita Income	\$ 2,770	\$ 2,919	\$ 3,072 *	\$ 3,291 *	\$ 3,554 *	\$ 3,835
Average Weekly Wages (Covered Employment)	\$ 96.69	\$ 101.35	\$ 104.79	\$ 109.48	\$ 114.23	\$ 121.08
Amount U.I. Benefits (thousands)	\$137,704.4	\$133,228.3	\$105,938.5	\$ 87,317.6	\$ 94,034.3	\$ 93,262.1
Number New U.I. Claims	344,584	303,308	251,658	229,781	229,194	227,104
Percent Insured Unemployment	5.6%	5.0%	3.9%	3.1%	3.1%	2.9%
Number Subject Employers	107,510	107,848	107,866	107,815	107,264	108,422
Total Covered Wages U.I. (millions)	\$ 7,653.3	\$ 8,041.2	\$ 8,544.4	\$ 9,320.8	\$ 9,964.2	\$ 10,738.8
Total Taxable Wages (millions)	\$ 4,935.1	\$ 5,025.5	\$ 5,208.8	\$ 5,506.0	\$ 5,675.8	\$ 5,913.9
Balance of Fund (millions)	\$ 189.1	\$ 196.2	\$ 227.6	\$ 288.9	\$ 328.0	\$ 372.2
Nonagricultural Placements	168,219	153,414	154,540	142,807	138,472	128,152
Value Construction Contracts (millions)	\$ - 1,068	\$ 1,083	\$ 1,093	\$ 1,222	\$ 1,445	\$ 1,728

* Revised

unemployment service

Reflecting the state's vigorous economic expansion and higher employment, U.I. claims activity declined further, falling to a new low in fiscal year 1969.

The number of Benefit Payment checks disbursed to unemployed workers (2,142,666) decreased by 4 percent from the year-earlier figure. The amount was only half as much as that disbursed in fiscal 1964 (3,896,787), the peak from which the steady downtrend in the payment of benefits to claimants began. Benefit disbursements at \$94,298,897.29 (net) for 1968-69 were slightly higher than the \$93,071,824.96 paid to jobless workers for the preceding year. The increase reflects the raising of the maximum benefit rate on October 13, 1968 from \$54 to \$57. Higher base year earnings by claimants also contributed to the upturn. These factors were also responsible for the rise in the average weekly check for total unemployment to \$47.12 from \$44.40 in the previous year and that for partial unemployment to \$24.46 from \$22.40.

During the current fiscal year a total of \$4,876,326 was paid to ex-servicemen and former Federal civilian workers.

state claims activities fiscal year 1968 - 1969

	FISCAL YEAR	% CHANGE FROM
	1968-1969	1967-1968
Total—Initial Claims	415,530	— 6.8
Intrastate	407,003	— 7.1
Interstate	8,527	+ 8.9
Total—Continued Claims	2,444,478	— 4.6
Intrastate	2,398,474	— 4.8
Interstate	46,004	+ 4.5
Ratio Of Continued Claims to Initial Claims	5.9	
Interstate Liable Claims		
Initial	14,861	— 4.6
Continued	99,093	+ 0.1
Amount of UI Benefits Paid	\$94,905,776	+ 1.5
Average Weekly Benefit Amount	\$ 44.29	+ 6.1
Average Weekly Duration of Benefits	12.8	+ 1.6

claims activities under federal programs fiscal year 1968-1969

	AMOUNT	% CHANGE FROM 1967-68
UNEMPLOYMENT COMPENSATION FOR		
Federal Employees		
Initial Claims	4,787	+ 7.1
Continued Claims	50,678	+ 13.7
UNEMPLOYMENT COMPENSATION FOR		
Ex-Servicemen		
Initial Claims	6,862	+ 35.7
Continued Claims	42,016	+ 38.9
BOTH PROGRAMS COMBINED		
Weeks Compensated	101,991	+ 20.0
Amount Benefit Payments	\$4,876,326	+ 24.7

employment service activities

fiscal year 1968-1969

NONAGRICULTURAL PLACEMENTS

Total	<u>120,645</u>
Men	62,261
Women	58,384
Veterans	<u>21,196</u>
Handicapped	<u>5,350</u>
Persons Under 22 Years of Age	<u>37,795</u>

AGRICULTURAL PLACEMENTS

27,060

COUNSELING INTERVIEWS

73,321

Initial	29,701
Subsequent	43,620
Persons Under 22 Years of Age	<u>29,568</u>

TESTING SERVICES

Total Number of Tests Given	<u>27,155</u>
Aptitude	21,806
Proficiency	5,349

employment service

During the year the Employment Service Division continued to concentrate its strength upon the long-range program for providing intensified services to the unemployed and disadvantaged, in order to improve their employability and to find them gainful employment.

Such programs as HRD (Human Resources Development), CEP (Concentrated Employment Program), MDTA (Manpower Development and Training) and JOBS (Job Opportunities in the Business Sector) were representative of the specialized efforts being utilized.

In the fiscal year 1969 the Employment Service offices took 249,700 new non-farm work applications, 111,500 female and 138,200 male. Handicapped persons accounted for 12,200 of the applications.

Counseling interviews were given to 73,300 applicants. Some 9,560 general aptitude tests, 11,360 specific aptitude tests and 4,330 proficiency tests were administered.

A total of 261,300 non-farm referrals were made which resulted in 120,650 placements. Included among these were 5,350 handicapped persons and 21,200 veterans.



hrd

The need to bring as many as possible of the "not at work, but job ready" people into a mutually profitable employer-employee relationship continued to be recognized. Most manpower resources not absorbed by the employability effort were devoted to job development, job placement, and general promotional activity necessary to the worker — job matching process.

Objectives and goals were pointed squarely toward refining the planning and operational tactics most conducive to the general advancement of Human Resources Development, particularly to the placement of disadvantaged persons in suitable jobs. Modification of workload concepts and execution paved the

way toward greater concentration upon the needs of those in the population least able to fend for themselves successfully in the job-seeking process.

During the year, more than 50,000 work applications were filed by the "45 and over" group; close to 9,000 counseling interviews were conducted and nearly 23,000 placements were made. In addition to its annual placement drive during Senior Citizens' Month, the Employment Service cooperated with National Council of Senior Citizens in



establishing Senior Aide Programs to provide part-time municipal employment at Boston, Fall River, New Bedford, and Quincy.

The long-standing program to give counseling and job-finding services to prospective parolees and to cooperate in work-release programs for inmates of correctional institutions con-

tinued; supplemented by a program, started in 1966, to help persons with prison records meet bonding requirements of employers.

A greater amount of time was devoted to those whose employability assets were more difficult to measure and translate into a suitable program of service. Consequently, emphasis shifted from a broad, comprehensive sales-approach to a selective and very specific approach aimed at inducing the employer to consider a particular applicant.

In all, nearly 46,000 persons classifiable as applicants needing HRD services were placed in employment, with some 3,300 of these resulting from individual job development efforts.

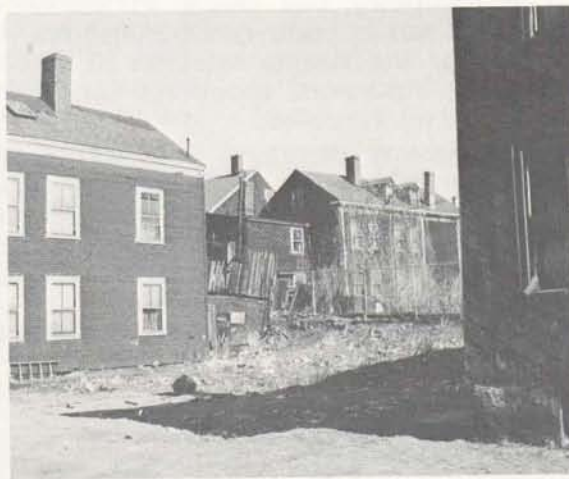


cep

Efforts to bring into urban poverty areas the employability assistance needed by their residents continued under the Concentrated Employment Program (CEP). This program of manpower services offers orientation, counseling, training, job placement, coaching, follow-up, and support services — a package that includes health care, legal counsel, emergency financial help, housing, child care, and transportation. These activities are conducted at CEP Centers, strategically located in the target areas.



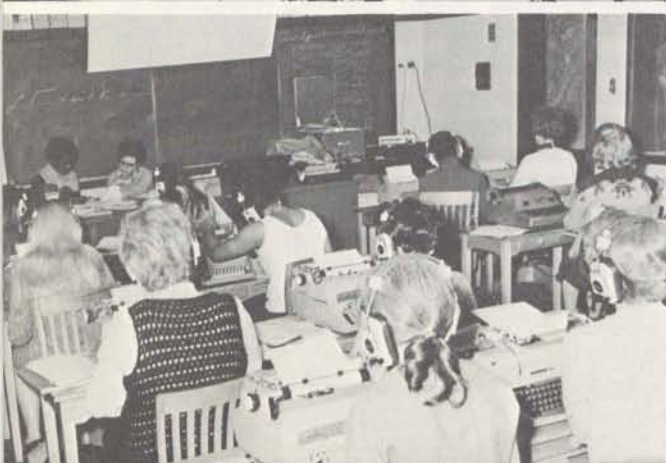
The manpower services are provided by out-stationed employees of the Division of Employment Security at Boston, New Bedford, Springfield, and Lowell. CEP programs statewide are sponsored by local community action agencies, and currently involve 100 Employment Service staff members, most of whom are on duty at Neighborhood Employment Centers. These Division employees are occupied with interviewing, counseling, job development, placement, referral to training, and payment of allowances — tasks which



most of them formerly performed in local offices of the Employment Service. However, they are required to maintain an open-minded approach in developing realistic employability plans that will serve each person with maximum effectiveness. They must be able to



make decisions, understand and communicate with the people of the target community, and reach and recruit the hard-core unemployed. During the year these out-stationed personnel made 10,000 job development contacts to employers in an effort to obtain work for applicants who could not be referred to existing openings. Approximately 1,200 placements resulted from these concentrated efforts. In addition, more than 8,000 placements were made on openings already listed in CEP offices. Another 9,000 placements of CEP area residents occurred in Division offices outside the target areas. Division personnel arranged for enrollment in training programs for approximately 4,500 CEP applicants who were not yet job-ready.



mdta

Operations under the provisions of the Manpower Development and Training Act were curtailed somewhat by a reduction in allocated funds. The program continued, nonetheless, to be widespread and diversified. About 100 of the Division's personnel were involved in the determination of training needs, cooperating in the negotiations for training arrangements, selecting trainees, and paying training stipends. During the year, nearly 2,700 trainees completed occupational training and 800 others completed basic education. As the year ended, over 1,200 trainees were enrolled in occupational courses and over 400 in basic education courses. It is significant that nearly 21 percent of the training approved was in health-care occupations, mainly in nursing categories, and despite shortages of training facilities and qualified instructors, about 700 unemployed and underemployed were enrolled.

An interesting departure from earlier patterns was the institution at mid-year of the "cluster" approach to training at the MDTA Skill Center at East Boston. This approach allows the grouping in one class of those occupations related educationally or industrially which involve the same skill levels or developmental progression. This approach assures the slow learner of the individualized instruction he needs.

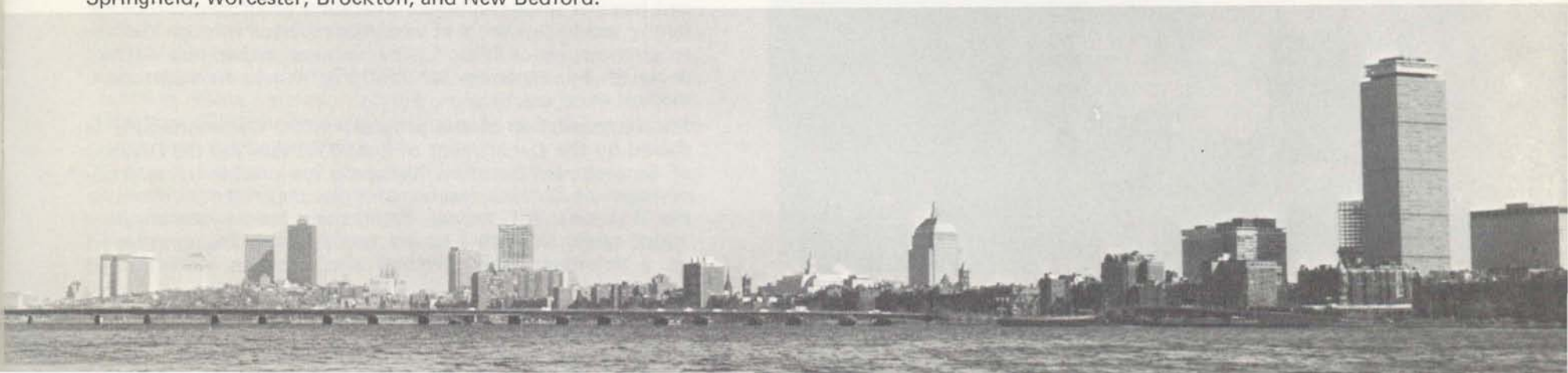
national alliance of businessmen — jobs program

The NAB-Jobs Program (Job Opportunities in the Business Sector), this year, was one of intensive experimentation to identify and eliminate the problems of the hard-core unemployed. A combination of Federal money, channeled through Department of Labor contracts, and business has generated a most ambitious effort to wipe out persistent unemployment. Under the JOBS Program, an employer can sign a contract with the U.S. Department of Labor to be reimbursed for the expense of the extra training and services required by the hard-core disadvantaged.

This business-sponsored and government-supported program provides the disadvantaged with various services they need to find and hold a job. Through public and private agencies they are recruited, tested, oriented, transported, counseled, motivated, schooled, and trained. If they lack education, they are placed in special remedial classes. Their training is on the job, by employers, for positions they occupy as full-time employees.

The Employment Service cooperated closely in this attempt to provide full-time trainee type positions and temporary summer jobs for this group and has allocated to it considerable staff.

Although limited operationally to the Boston area at first, the NAB-Jobs Program was to be extended to the cities of Springfield, Worcester, Brockton, and New Bedford.





work incentive program

A most significant new development was the initiation of the Work Incentive Program authorized by an amendment to the Social Security Act in December 1967. After many months of planning, budgeting and negotiation of inter-agency agreements and the development of contractual and appeals procedures, Work Incentive (WIN) operations began in nine Massachusetts areas in October 1968 with over 90 Employment Service personnel assigned.

The WIN program is designed to give those heads of families receiving aid for dependent children an incentive to obtain gainful employment with a future. Before this Program, there was little financial motivation for a family to get off Welfare and become fully employed. The earnings of the head of the family would fall short of what was received through Welfare subsistence. In addition, the income would be further depleted by expenses for clothing, taxes, transportation, medical expenses, etc.

The responsibility of the program in the Commonwealth is shared by the Department of Public Welfare and the Division of Employment Security. Welfare is responsible for referrals of heads of families receiving aid for dependent children to the Division's WIN teams. Fathers and male youth are on a 'must' basis. Mothers who are heads of families are referred on a volunteer basis. Welfare also provides work related

expenses in addition to the Welfare grant during training.

The Division of Employment Security is responsible for providing counseling and the necessary training for enrollees to achieve appropriate employment with a future. Enrollees receive a training stipend, in addition to the Welfare grant, which is paid by the Division out of WIN funds. These weekly incentive payments ease the financial situation for enrollees who participate in the program.

When the enrollee is employed, a further financial incentive is given which is arrived at through a Federal formula applied by the Welfare Department. Briefly, the formula is this: thirty dollars and the first third of the enrollee's wages are disregarded. Work related expenses and compulsory deductions are also included in this disregard of earnings. The total is deducted from earnings and the result is subtracted from the Welfare grant. This remainder, or supplementary assistance is then paid to the enrollee.

There are two categories of enrollees in the program. The first category is composed of those who are job ready and can immediately be referred to suitable jobs. They are then provided with supportive services to insure job retention. Approximately seven percent of the enrollees are job ready.

Those who lack job readiness form the second category. Their employability plan, which they work out with the WIN team, may include basic education, work orientation, skill training and work experience prior to placement. The largest percentage of WIN enrollees are found in this category. Nearly 2,700 were actually enrolled in WIN programs which extend for six months or longer. Training is highly individualized in a wide variety of occupational fields and is aimed at meaningful, productive, satisfying and steady employment for the enrollee. Some indication of the scope of the program is the fact that 305 sub-contracts with training establishments were negotiated during the year.

The great majority of placements of WIN enrollees by the end of June 1969 resulted in income, including supplementary assistance, of over \$150 a month above the former Welfare grant with a top of \$567.40 over the Welfare subsistence.





services to youth

For many years the Division has maintained in each of its local offices an identifiable Youth Service Unit to offer comprehensive service to young people under age 22 and to help in resolving the job-finding problems peculiar to this group. In addition, many youths were afforded service through Concentrated Employment Programs, Neighborhood Centers, the National Alliance of Businessmen and a multiplicity of community organizations throughout the State where they were given on-the-spot service by Employment Service out-stationed personnel.

Special services designed for youth included service to dropouts. During this year schools in the DES-affiliated School Program referred 1,740 dropouts for service. Of these, 1 in 3 was placed in a permanent job, some 50 were found part-time work which permitted them to return to school and 1 in 6 was referred to Job Corps, MDTA, Neighborhood Youth Corps, or similar programs.

Features of the year included the implementation of work-study programs for marginal students and potential dropouts,

counseling and placement service given to "special class" students; and Job Corps referrals which were continued on a smaller scale pending final closing of many centers. During 1969 134 enrollees departed for centers while 127 returnees were placed or given further training. A number of Employment Service offices cooperated with sponsors of Neighborhood Youth Corps projects and boosted their levels of screening, counseling, and testing potential enrollees, despite the restrictive effects of a family income standard too low to permit extensive activity in this Commonwealth. During the year, almost 2,250 youths were enrolled in projects, or 460 more than in the preceding year.

The summer job needs of young people under age 22 have for years involved the timely canvassing of employers to unearth suitable job openings and a systematic registration, selection and referral service in behalf of youth prior to the closing of schools. All previous records for placements of youth were shattered during 1968 when 20,600 were placed in non-agricultural jobs. This was 3,000 more than in 1967, despite competition for job openings from many groups, associations and agencies, public and private, not formerly active in this field of endeavor.



veterans:

The Division continued to be alert to the needs of veterans, especially those recently released from active duty. Returning servicemen were contacted individually to inform them of the various services available to them as veterans.

During the course of the year, more than 40,000 veterans filed new applications for work, 4,500 participated in 10,000 counseling interviews, and 21,000 job placements were recorded.

For more than 30 years, the Division of Employment Security has provided special employment services to veter-

ans, but this is the first time that the local offices have had the opportunity of contacting veterans individually to notify them of the manpower services available. The plan, developed by the U.S. Department of Labor and the Department of Defense, calls for the cooperation of various Separation Centers in furnishing the State Employment Service with the names and addresses of the men and women at the time of their separation.

Veterans are entitled to manpower services such as employment counseling and aptitude testing, skill training, and job placement assistance. A Veteran's Employment Representative is assigned to each local office to provide returning veterans with all the necessary occupational information and assistance they may need in their transition to civilian life.




handicapped:

The Division places increased emphasis on vocational counseling and training services in order to enhance the employability of the handicapped. Those who need to acquire or upgrade their employment skills are referred to job training courses under the Manpower Development and Training Act, while others are referred to other agencies for special services. During the last fiscal year, 12,000 work applications were filed by persons with physical or emotional impairments, 4,600 counseling interviews were held and more than 5,000 job placements resulted.

Handicapped applicants are always accorded special attention

by the Division. Local offices throughout the State cooperate with the Commission on Employment of the Handicapped, the Massachusetts Rehabilitation Commission, and many other agencies.

Perhaps, the most significant single development was the administration of the General Aptitude Test Battery to 300 cardiac out-patients at the Children's Hospital Medical Center in cooperation with the Harvard University Center for Research in Careers. This research project, "Adaptation of Young Cardiacs" has as its objective, the selection of suitable work training opportunities for this group, and is another example of assistance given whenever possible to those whose disadvantages are not necessarily economic, but are an impediment in finding suitable work.



minority groups

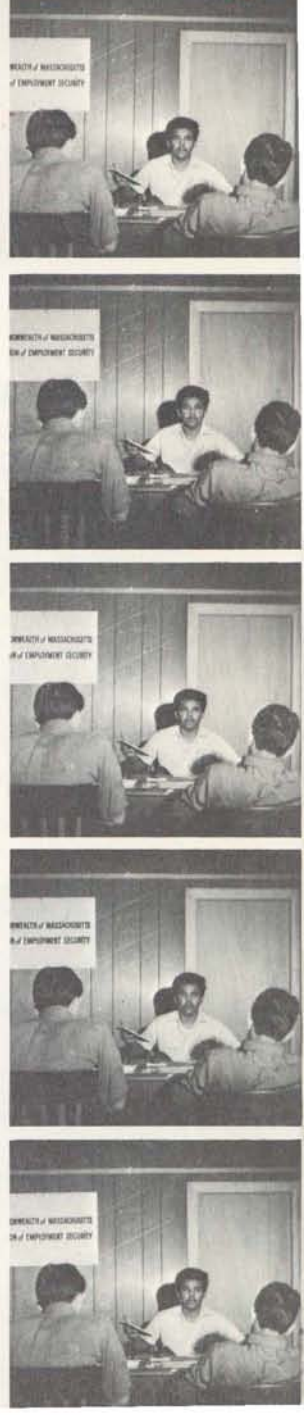
Throughout Massachusetts the Minority Groups Service program has encouraged participation of its Minority Groups Representatives in the activities of community agencies and organizations whose purpose is to develop and improve the life style of all members of any minority group.

Our personnel assist these organizations in staffing their operations, attend their meetings, contribute advice and counsel in matters of employability development and job market information, and are available to perform special individualized services adapted to each minority client's needs.

Fiscal '68-'69 has been a year of increased awareness of the problems and needs of the members of the minority groups communi-

ties. We have progressed far from the formal structure of selecting qualified job ready applicants for an established job opening and have opened the door to the less fortunate, untrained and disheartened minorities by going out into the Community to explain, encourage and assist those who need our help the most.

A new phase of equal opportunity has been developed during the past year. A number of our offices through the cooperation of their Minority Groups Representatives have introduced minority group youths to the advantages and opportunities of higher education, working together with COPE, an organization founded by the Federal government to provide free educational and vocational counseling and financial assistance to young people in the Greater Boston area. Its goal was to assist those youthful aspirants in setting a goal and realizing their educational potential.



farm labor

During the 1969 fiscal year, 27,081 farm placements were made by the Division. This placement figure represented a slight increase over the previous year and halted a downward trend experienced during the past few years. The seasonableness of farm employment in this Commonwealth permits maximum use of high school, college and other youth. During the summer vacation period several thousand youth were employed, primarily in tobacco, vegetable and berry harvesting. Peak seasonal labor needs could not be met by local workers, making it necessary to recruit out-of-state agricultural help from the Southern states, Canada and Puerto Rico.

Adult contract workers have been recruited from Puerto Rico for many years, now under a well organized program. Recruitment of 2,000 farm workers from Puerto Rico during this fiscal year was negotiated between the



Puerto Rican Secretary of Labor and Massachusetts agricultural growers under revised contract terms, resulting in higher wages and increased fringe benefits for the workers.

Intensive recruitment efforts were made to provide an adequate supply of labor for the apple and cranberry harvests. Three trailer offices were utilized for recruitment service in cranberry areas to meet the demand for workers in the fields and in the processing plants. Area housewives, on adjusted work schedules, contributed heavily to the success of this harvest.

During the apple harvest, many off-duty servicemen and their dependents were recruited at Fort Devens. A large number of Canadians were certified for short periods of employment to help with the fall apple harvesting.

Expanded efforts to provide farm work for selected State Hospital patients, juvenile offenders and retarded youth have produced favorable results.

unemployment insurance

UI claims activity declined further, falling to a new low in fiscal year 1969. Initial claims dropped to 415,530 and continued claims to 2,444,478 as compared with 445,947 and 2,562,211 respectively for the previous year. The claim load was the lowest for a fiscal year in fourteen years.

Claims for insured unemployment under Chapter 85, Title 5 of the U.S. Code covering ex-servicemen and Federal employees moved up. Initial claims rose to 11,649 and continued claims to 92,694 from 9,527 and 74,832 respectively in the previous year.

Although insured unemployment has been moving down, the average duration has been rising with 5.9 weeks in 1968-69, 5.7 weeks in 1967-68 and 5.4 weeks in 1966-67.

The long time growth in the economy of the state brought the level of the Fund to \$385,139,939.97 on June 30, 1969. The balance was \$43 million higher than that of a year earlier and double the amount of five years before when the steady upward climb of the Fund started.

Employer contributions for the fiscal year totaled \$121,655,782.99, virtually unchanged from the amount collected from employers in the previous year. This occurred in spite of the fact that contributions for the first three quarters in the fiscal year 1969 were collected under Schedule B (the same schedule in effect for the entire preceding year) but under Schedule A, with lower rates, for the final quarter. The slight rise, even with a lower rate schedule in effect for three months, reflects higher wages paid by employers and higher taxable payrolls.



statement of financial transactions

	YEAR ENDING JUNE 30, 1969	CUMULATIVE TOTALS 1936 THROUGH JUNE 30, 1969
Balance at Beginning of Period	\$342,562,762.92	\$
Contributions Collected (net)	121,655,782.99	2,366,702,192.52
Interest	15,093,160.34	167,027,743.12
"Reed Act" Distribution		5,058,610.43
Reimbursement under TEC Program ²		4,604,536.00
Received From Bureau of Employment Security ¹	38,933.04	333,159.40
TUC-UI Funds Transferred to U.C. Benefit Account ³		561.00
"Reed Act" Funds Returned to the Fund		228.21
Reimbursed Benefit Payments ⁵	16,789.00	67,177.00
Excess FUTA Collections ⁶	667.94	144,119.70
Excess in U.C. Contingency Fund ⁸	86,450.03	148,931.18
TOTAL	<u>\$479,454,546.26</u>	<u>\$2,544,087,258.56</u>
U.I. Benefit Payments (net)	94,298,897.29	2,149,948,133.28
Transfer to Railroad Unemployment Trust Fund		2,312,725.57
"Reed Act" Funds Withdrawn ⁴		600,112.25
Reimbursable Benefit Payments ⁵	15,709.00	69,248.00
TUC Repayments ⁷		6,017,099.49
TOTAL DISBURSEMENTS	<u>\$ 94,314,606.29</u>	<u>\$2,158,947,318.59</u>
Balance, June 30, 1969	<u>\$385,139,939.97</u>	<u>\$ 385,139,939.97</u>

¹ Received from Bureau of Employment Security-amortization of cost of buildings previously purchased.

² TEC - Temporary Extended Unemployment Compensation Act - (April 1961 - June 1962)

³ TUC - Temporary Unemployment Compensation Act of 1958 (July 6, 1958 - July 4, 1959)

⁴ "Reed Act" funds used for acquiring land and buildings exclusively for the use of the Division.

⁵ In accordance with Section 14 (o) of the Massachusetts Employment Security Law.

⁶ FUTA taxes collected in excess of the amount required to make full restoration of 1958 TUC costs.

⁷ TUC repayments to the Federal government for the loan made on account of the Temporary Unemployment Compensation Act of 1958.

⁸ Annual transfer, on September 30, of excess in UC Contingency Fund to the Unemployment Trust Fund.

claims determination

Original determinations on claims of questionable eligibility are made by adjusters in the local unemployment insurance offices, except when a labor dispute is the issue or where the claim against Massachusetts has been filed in another state. The Determinations Division and the Interstate Division make all determinations in labor dispute cases and on claims filed outside Massachusetts, respectively.

Claimants who are disqualified from receiving benefits or employers who disagree with determinations granting benefits, may make application to the Hearings Division of the Determinations and Hearings Department for review. This decision may be appealed to the Board of Review.

Initial determinations on disputed claims totalled 123,898 in fiscal year 1969. Benefits were disallowed in 36 percent of these cases.

Claimants and employers appealed to the Hearings Division for review in one out of fourteen determinations.

Other appeals to the Hearings Division included 478 overpayments, 111 experience rating chargebacks, 42 employer status cases and 489 agent-state cases on which hearings were held at the request of other states.

claims investigation

The post-audit program is the major source of overpayment detection. Claimants filing initial claims in successive years are checked by cross-matching the prior year's benefit payments against wage data reported by base period employers for the second year's claim. During the fiscal year 83,044 audits of Intrastate Unemployment Insurance claims resulted in the determination of 1,071 overpayments totaling \$117,605.

Review of 1,631 claims in which the benefit credit and/or benefit rate was revised downward culminated in establishing 18 overpayments.

Investigations of 701 cases resulted from 377 employer protests of benefit charges, 9 anonymous complaints and 315 local office and administrative office requests; from these, 410 overpayments were established totaling \$47,669.

Records of six employers were audited to ascertain whether claimants failed to report earnings while receiving unemployment benefits, resulting in 17 overpayments totaling \$2,974.

In reviewing overpayment cases (1,646) established by the Claims Investigation Department and local offices, 63 cases were referred to the Assistant Attorney General for possible criminal prosecution, and compensable week disqualifications imposed in 479 cases.

legal

During fiscal year 1969, attorneys of Legal Service and the Legal Department staff handled 2,528 cases requiring legal processes or court actions. Of these, 74 percent were unpaid contribution cases; 14 percent, overpayments to claimants (including "wilful misrepresentation" cases); seven percent were applications for benefit payments due estates of deceased claimants, and five percent were petitions to District Courts regarding Board of Review decisions.

A total of 39 petitions to District Courts resulting from decisions of the Board of Review were received. In this category, 45 cases were closed leaving 93 petitions pending at the fiscal year end. Board of Review decisions were affirmed in 24 cases, reversed in one instance and 19 petitions were either dismissed or withdrawn.

There were 53 answers to petitions filed in District Courts.

advisory council

The Advisory Council of the Division of Employment Security consists of six members, two each representing employees, employers, and the public. They are appointed by the Governor who also designates one public member as chairman. The Council is charged with the responsibility of reporting to the Governor at least quarterly and to the General Court annually, its conclusions about the actuarial status of the Unemployment Compensation Fund. It also recommends revisions in the Employment Security Law with respect to contributions, benefits and other matters which may be necessary to maintain the solvency of the Fund.

board of review

Employers and claimants dissatisfied with lower-authority decisions or, in the case of labor dispute issues, with initial determinations, may appeal to the Board of Review. During fiscal year 1969, 4,741 appeals were filed, including 2,776 labor dispute cases.

The Board disposed of 5,285 appeals; 3,049 were decisions and 2,236 were either defaulted or dismissed. The bulk of the 3,393 cases pending at the end of the year included some 3,000 cases relating to labor disputes filed by persons idled by work stoppages at two large Massachusetts firms.

economic reports

One of the functions of the Division of Employment Security is the development and dissemination of employment unemployment, and labor market information to meet the informational needs of labor, management, and the public. Basic data on current conditions and economic trends in Massachusetts are contained in reports prepared weekly, monthly, quarterly, or annually for the U.S. Department of Labor for use in national statistics on employment, unemployment, and wages. Many of these reports are published and made available to the general public. Other unpublished data are available in our library for use by students, research groups, employers organizations, and others seeking information of this nature.

Estimates of the adequacy of the labor supply in individual areas of the State are provided for employers planning to locate or expand in Massachusetts. The Division also prepares summary indicators of area labor market conditions and skill shortages which are used in the planning and evaluation of manpower programs and vocational training. A Labor Market report, "Massachusetts Trends" is published monthly. Some 8,500 copies are distributed to individuals, employers, Chambers of Commerce, planning groups, labor groups, newspapers, and government officials. During the past year a special study was made of occupational projections to the year 1975 in conjunction with the Bureau of Labor Statistics of the U.S. Department of Labor for the Division of Vocational Education of the Massachusetts Department of Education.

jolts — JOB OPENINGS AND LABOR TURNOVER STATISTICS

In the spring of 1969, the Division of Employment Security, in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics and the Manpower Administration, expanded its current labor turnover statistics program in response to the widespread demand for information on the number and kinds of job openings.

Labor Turnover data have been collected for many years from manufacturing establishments throughout the state where they have found wide use in the comparison of individual turnover experience with that of the industry as a whole, and as an important tool in economic analyses, business forecasting and the development of programs to aid all business.

For the first time, this new pilot program has collected data from non-manufacturing industries in the Boston Standard Metropolitan Statistical Area, as well as data on the number of job openings by occupation. If the program proves successful, information will be available for all industries as an indicator of training and retraining needs, as a guide in developing programs to reduce the costly imbalance between labor supply and demand, and as a tool in counseling youth.



duplicates so that stations outside the Boston viewing area could also run them as a public service.

Another major application of television and radio was the daily broadcasting of job openings on hand in Division offices. One of the leading Boston TV and radio channels in cooperation with the Division operated "Job Bank" where clusters of openings were announced several times a day together with a special Job Bank telephone number manned by the Employment Service. Several other radio stations in the Boston area were supplied weekly job listings which were broadcast several times daily with the telephone numbers of the order-holding employment office. Employment offices throughout the state ran regular programs of job opportunities on local radio stations. Unfilled slots in training courses were announced as well as job opportunities.

Special efforts were made to publicize the Work Incentive Program for members of families receiving Aid for Dependent Children. Radio and TV interviews were set up in cooperation with the Department of Public Welfare. News releases were sent to every radio, TV station, and newspaper in the state to explain the program.

Press releases and photographs were also used to explain existing programs and to publicize new ones, to alert on changes in Law and administrative orders, and to report on accomplishments. Pamphlets and leaflets explaining the unemployment insurance system and various special employment services were updated to conform with these changes.

A program of advisory services to local office managers was carried out with information specialists making frequent trips to local offices as requests for help were made.





staff training

Training activities during fiscal year 1969 continued at about the same pace as in the preceding year. There was, however, some change in emphasis required by WIN (Work Incentive Program) which began during September 1968 in selected offices across the state. This absorbed a major portion of the Training Department's time during the first half of the fiscal year.

A new development in training methods during the year was the issuance of a training outline on the taking of claims for unemployment compensation for use in local offices. The outline is based directly on the course which the Training Department has been giving orally to claims interviewers for several years.

Under the management training program arranged by the Manpower Administration for Employment Security personnel throughout the country, 25 employees attended 14 different courses held at three universities and other institutions and associations which specialize in management.

During the year 36 Employment Counselors took a total of 64 courses at ten different colleges and universities. Subjects covered were psychology, guidance, counseling and sociology. Four Employment Counselors attended training in work sampling techniques. Several Managers, Head Interviewers and Principal Interviewers completed 22 courses at 12 different colleges and universities pertaining to personnel practice, management, effective communication and the psychology of interviewing. Other employees studied such diversified subjects as alien employment certification and registration, CEP reporting techniques, cost accrual accounting and the team training concept.

Vestibule training for new interviewers assigned to local employment offices covered such topics as programs available to applicants, techniques of interviewing, psychology of the interview and recognition of applicant needs for counseling services. Selected local office claims personnel underwent two-week courses which dealt with the making of nonmonetary determinations on contested claims for unemployment compensation.

management analysis

Now in its second year of operation, this department was established, not for the purpose of making an analysis of management, but rather to make an analysis for management on matters pertaining to the effectiveness, efficiency and economy with which the Division is managed and operated.

It is the function of the Department to undertake projects and studies in order to seek and to recommend ways in which practical improvements may be made in the Division's organization, management, systems, methods, facilities and equipment and to assist in the installation of accepted management improvements.

Personnel of the Department have been and are professionally trained at colleges and universities throughout the country, in Management Analysis, Systems and Procedures, Work Measurement, Work Simplification and Electronic Data Processing.

The Management Analysts have, during this year, completed projects for nearly all services within the Division. Many of the recommendations have been accepted and implemented while others have been held in abeyance pending the assembling of all staff Departments under one roof in the new Administrative office in Government Center when it is expected that the objectives of the Department, savings in funds, personnel, material and improved efficiency of operations can be fully implemented.

Among the major projects completed and accepted in the past year were a study to improve the organization, resources, methods and techniques of the Labor Market Division of the Research Department and the planning and installation of CLASP (Claimant Advisory Service Program).



personnel services

The total number of personnel in the Division on June 30, 1969 was 2,510, an increase of 223 employees over June 30, 1968. During the current fiscal year a total of 78 employees — 31 men and 47 women — retired from the Division.

In fiscal 1969 the Division of Employment Security was able, through Chapter 203 of the Acts of 1968, to employ six graduate students from Northeastern University as Community Counseling Interns after the classification had been approved by the Personnel and Standardization, and Civil Service Departments. Our experience in the first year of the program indicated that mutual benefits were derived for the student, the University and the Division.

Initial steps were taken to set up three preprofessional positions when Personnel and Standardization and Civil Service approved the following classifications: Employment Aid, Employment Agent and Employer Contact Representative. These positions provide for the orderly progression of previously disadvantaged persons into government service through three grades, each with increasingly greater responsibilities. The Aid, Agent and Representative work with professional staff members of the Division of Employment Security, assisting persons to obtain training for employment and to find jobs.

A new classification title and position of Intermittent Claims Clerk was approved by Civil Service and Personnel and Standardization by request of this Division. This position allows the Division at the local office level to hire people who will work on an intermittent basis, as needed, to take claims for unemployment insurance. It will enable local offices to prepare to meet peaks and valleys in claim loads.

In fiscal 69 the Division of Employment Security, for the first time, resorted to the use of part-time Junior Clerk Typists in order to alleviate the shortage of full time workers in this classification.

fiscal expenditures

All administrative expenses for the Division of Employment Security come from a 100 percent Federal grant from the U.S. Department of Labor.

The money for the Federal grant derives from a payroll tax paid by employers subject to the Federal Unemployment Tax Act. This tax is 4/10% of the first \$3,000 paid to each worker; employers of four or more workers are subject.

The budget of the Division is reviewed by the U.S. Department of Labor, and the books of the agency are audited by this Federal Department. Also, all expenditures must conform to all laws, rules and regulations of Massachusetts and to Federal standards.

Total expenditures amounted to \$22,000,901 during this fiscal year. Salaries and personnel benefits accounted for 79 percent of the total expenditures. A new item for WIN contractual services occurred this year and amounted to more than \$1 million. The usual annual expenses for rent, heat, light, supplies, telephone service and other non-personal costs made up the balance.

massachusetts division of employment security expenditures fiscal year 1968-69

Disbursement of funds made available by the Federal Government during the fiscal year ended June 30, 1969 was as follows:

Disbursement of funds made available by the Federal Government during the fiscal year ended June 30, 1969 was as follows:

Unemployment Insurance and Employment Service Program	\$18,892,360.00
Manpower Development and Training Act Program	1,000,505.00
Manpower Development and Training Act — Project #8202	93,805.00
Job Corps Program	48,138.00
CAMPS	59,081.00
Public Works Economic Development Program	5,645.00
Work Incentive Program	1,538,640.00
Work Incentive Program — Project #9701	14,241.00
NAB Jobs	4,648.00
JOLTS	11,894.00
Bureau of Labor Statistics	7,943.00
Concentrated Employment Program	324,001.00
Total	\$22,000,901.00

The following table shows the operating expenditures for fiscal year 1968-69:

Category	FY-1969
Personal services	\$15,510,926.00
Personnel benefits	1,796,964.00
Supplies	228,771.00
Communications services	264,407.00
Travel	199,081.00
Printing and binding	6,360.00
Equipment — rent	734,189.00
Equipment — repair and alterations	29,044.00
Premises — rent	1,341,733.00
Premises — repair and alterations	22,515.00
Heat, light and water	114,617.00
Equipment purchases	141,781.00
Out-service training	39,505.00
WIN Contractual Services	1,023,306.00
Miscellaneous	547,702.00
Total	\$22,000,901.00

changes in the employment security law

July 1, 1968 – June 30, 1969

Effective August 6, 1968, Chapter 239 of the Acts of 1968 amends section 6 of Chapter 151A of the General Laws by adding Subsection (q) which excludes poll takers or opinion takers from those considered "employed" under Chapter 151A if the rate of such individual's remuneration is determined by a person other than the person supervising him; and if said individual is free to accept or decline any given assignment.

Effective October 7, 1968, Chapter 533 of the Acts of 1968 reinforces Subsection (e) of section 15 of Chapter 151A by directing that liens against delinquent employers be filed in the records of the county in which any property, real or personal, is situated. The amendment further provides that a certificate of lien be recorded with the clerk of the city or town where such personal property is situated.

Effective October 10, 1968, Chapter 576 of the Acts of 1968 amends Subsection (c) of section 24 of Chapter 151A by increasing, from two weeks to three, the period for which an individual remains eligible for unemployment benefits although illness or disability prevents him from accepting suitable work.

Chapter 480 of the Acts of 1967 amends Subsection (a) of section 29 as of October 13, 1968. Any individual whose benefit year begins on or after this date will have a maximum Weekly Benefit Rate of \$57. This rate does not include dependency allowances.

Effective October 14, 1968, Chapter 625 of the Acts of 1968 amends Subsection (c) of section 25 by reducing the maximum disqualification period, from five weeks to four, of an otherwise eligible individual who fails without good cause, to apply for suitable employment, in any week, when notified to do so by the employment office, or to accept suitable employment when offered to him.

JUL 28 1982

